

Message Text

UNCLASSIFIED

PAGE 01 KINGST 02606 211636Z

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 PA-02 PRS-01

AGR-10 /079 W

-----211638Z 124516 /73

R 211341Z MAY 77

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 5433

UNCLAS KINGSTON 2606

E.O. 11652: N/A

TAGS: EFIN, JM

SUBJECT: FINANCE MINISTER COORE ANNOUNCES REVENUE BUDGET

REFERENCE: KINGSTON 2605

1. THE 1977/78 BUDGET ESTIMATES OF \$1,271.6 MILLION WAS REFERRED TO THE STANDING FINANCE COMMITTEE OF THE HOUSE OF REPRESENTATIVES FOR CONSIDERATION ON MAY 3. A NET EXPENDITURE OF \$1,273 BILLION WAS APPROVED.

2. ON MAY 12, FINANCE MINISTER DAVID COORE TOLD THE HOUSE OF REPRESENTATIVES THAT NO ADDITIONAL TAXATION WOULD BE IMPOSED IN 1977. THE \$1,273 BILLION BUDGET WILL BE FINANCED BY REVENUE RESOURCES OF \$795.8 MILLION, LOAN FUNDS TOTALLING SOME \$192 MILLION, AND THE REMAINING DEFICIT OF \$286 MILLION BY A COMBINATION OF BANK OF JAMAICA ACCOMMODATION, TREASURY BILLS, INTERNATIONAL MONETARY FUND AND OTHER MARKET AND GOVERNMENT LOANS TO BE NEGOTIATED.

3. MINISTER COORE ANNOUNCED NEW MEASURES TO HELP THE REVIVAL OF THE ECONOMY:

A. A NEW ONE-YEAR STOCK YIELDING ONE PER CENT ABOVE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KINGST 02606 211636Z

TREASURY BILL RATE WILL BE INTRODUCED TO ENCOURAGE COMMERCIAL BANKS TO LOWER THEIR LENDING RATES, AND THERE WILL BE A NEW 20-YEAR STOCK ON FAVORABLE TERMS.

B. EGGS FOR HATCHING, AND YARN AND COTTON FOR THE MANUFACTURE OF TEXTILES WILL BE ADDED TO THE SCHEDULE OF ITEMS THAT MAY BE IMPORTED AT THE BASIC RATE OF

THE DUAL RATE OF EXCHANGE (SEE KINGSTON 1926).

C. THE 150 PER CENT TAX ON OVERSEAS TELEPHONE CALLS WHICH HAD BEEN IMPOSED IN THE ECONOMIC PACKAGE PRESENTED BY THE PRIME MINISTER IN JANUARY IS TO BE REDUCED TO 50 PER CENT, EFFECTIVE JUNE 1. MR. COORE SAID THE TAX HAD BEEN FOUND TO BE COUNTER-PRODUCTIVE, AND WAS AFFECTING THE REVENUES OF THE JAMAICA TELEPHONE COMPANY.

D. EFFORTS WILL BE DEVOTED TO IMPROVING THE TAX COLLECTING SYSTEMS IN A COMPREHENSIVE AND WIDE-RANGING REFORM OF ADMINISTRATION.

E. IT IS PROPOSED THAT THREE MAJOR FINANCIAL INSTITUTIONS - THE JAMAICA DEVELOPMENT BANK, THE JAMAICA MERCHANT BANK, AND THE COMMERCIAL BANKING INSTITUTION TO BE ESTABLISHED AS A RESULT OF CURRENT NEGOTIATIONS TO ACQUIRE BARCLAYS BANK JAMAICA LTD. - WILL PLAY A WIDER ROLE IN MOBILIZING RESOURCES FOR SPECIFIC PROJECTS.

4. MR. COORE SAID IT HAD BEEN DECIDED THAT THE MAXIMUM LIMIT OF BANK OF JAMAICA SUPPORT IN 1977 WOULD BE \$250 MILLION. IT WAS PLANNED TO "PROCEED ALONG LINES WHICH WOULD REDUCE THE SUPPORT TO ZERO BY 1979."
DORRANCE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BUDGET, LOWER HOUSE, BUDGET ESTIMATES, LOANS, FINANCIAL PROGRAMS, BUDGET DEFICITS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KINGST02606
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770182-0197
Format: TEL
From: KINGSTON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770532/aaaabbit.tel
Line Count: 88
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f9edc58c-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 KINGSTON 2605
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2423697
Secure: OPEN
Status: NATIVE
Subject: FINANCE MINISTER COORE ANNOUNCES REVENUE BUDGET
TAGS: EFIN, PGOV, JM, (COORE, DAVID)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/f9edc58c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009